



TO: Task Force on the Implementation of the Pupil Weighting Factors Report

FROM: Sue Ceglowski, Executive Director, Vermont School Boards Association

RE: Tuitioning, Excess Spending Threshold, Hold Harmless Provisions

DATE: August 27, 2021

Thank you for the opportunity for the Vermont School Boards Association (VSBA) to continue collaborating with the Task Force in support of its work. You have asked the VSBA to address three areas today: tuitioning, the excess spending threshold and hold harmless provisions. I will also answer a question that was asked at the August 12 meeting regarding development of governance and financial management standards.

Tuitioning

The Task Force has asked how tuitioning school districts may be impacted by the implementation of the weighting study.

It's important to start this conversation with the knowledge that tuitioning districts have different structures. There are some districts that operate schools for kindergarten through sixth grades while tuitioning grades seven through twelve. Others operate schools for grades kindergarten through eight while tuitioning grades nine through twelve. Some districts tuition only grades seven and eight. Others do not operate schools at all and pay tuition for grades kindergarten through twelve. And there are more variations that I have not covered here.

At the last Task Force meeting, you discussed the possibility of moving to one statewide form (the alternative household income form) to measure poverty. Gathering this data via any form through tuitioning districts will be especially challenging. This challenge illustrates the importance of considering the impact on all types of school districts when considering policy changes. Any solution on gathering poverty data should be applicable as broadly as possible.

Another factor to consider: providing extra taxing capacity to tuitioning districts may not lead to changes for students in the grades that are tuitioned because tuitioning districts do not have control over the education of students in grades where they do not operate schools. Nor do they have the ability to adjust financial decisions concerning the education of tuitioned students. It seems likely that such districts will be considering whether to (1) increase programs and opportunities in the operating grades or (2) decrease taxes. On the flip side, tuitioning districts that see a tax increase with implementation of the weights may be forced to consider cutting programs for the grades they operate in order to continue paying the cost of tuition for non-operational grades.

As noted in our August 12 testimony, the VSBA supports evenhanded use of the Education Quality Standards across the board in Vermont, including all schools where public tax dollars are educating our students. Currently, the Education Quality Standards cover public schools and do not apply to all schools where public tax dollars are educating students.

Public tax dollars should carry with them the same obligations regarding quality, equity, efficiency, transparency and accountability that apply to public school districts. In order to be eligible to receive public education funds, approved independent schools should:

1. Not discriminate or deny enrollment on the basis of race, color, religion (creed), ancestry, national origin, place of birth, sex, sexual orientation, gender identity, disability, age, political affiliation or marital status
2. Operate with an open admissions policy, meaning that they accept all publicly-funded students on a space-available basis
3. Agree to enroll any student who requires special education services and who is placed in or referred to the approved independent school as an appropriate placement and least restrictive environment for the student by the student's individualized education program team or the local education agency.
4. Administer state assessments and make outcomes data available to the public in the same manner as public schools
5. Provide free and reduced lunch to all eligible students
6. Employ teachers and administrators that have licenses and endorsements required by professionals working in public schools

Finally, at the end of this process, when the weighting factors are implemented, school districts (regardless of tuitioning status) want their weights to be understandable and verifiable. This can only be achieved if school districts have access to the data that is

used to calculate each of the weights for their district, the ability to check the calculations, and a process to correct mistakes in the calculations. Currently, verifications and corrections are not possible because the data used to calculate the weights is largely unavailable and the state does not follow the timelines in the statute.

Excess Spending Threshold

32 V.S.A. Section 5401(12)(B) provides that the excess spending means “In excess of 121 percent of the statewide average district education spending per equalized pupil increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date.”

16 V.S.A. Section 4001(6)(B) states that, for purposes of calculating excess spending, education spending shall not include: (lists several exclusions, including two exclusions addressing tuitioning districts).

[Act 59 of 2021](#) includes a moratorium on the excess spending threshold for fiscal years 2022 and 2023, thus, for the purpose of determining a school district’s homestead property tax rate, education spending will be calculated without regard to the excess spending adjustment for those fiscal years. VSBA supported this moratorium at the time it was implemented and would need more information about the potential impacts in order to form a position on extending the moratorium or eliminating the excess spending threshold.

Hold Harmless Provisions - ADM

[Act 154 of 2020](#) established that each school district’s 2020-2021 school year average daily membership (ADM) would not be less than the district’s 2019-2020 school year ADM.

VSBA supported this stabilizing measure which provided one predictable measure for school districts as they were developing their fiscal year 2022 budgets during the pandemic at a time when COVID-19 vaccines had not yet been approved.

The pandemic negatively affected public school districts’ ADM last year. Until recently, we hoped to see ADM bounce back up as the pandemic subsided. However, with the impacts of the Delta variant and the Administration’s position that COVID-19 prevention measures should be decided locally, we anticipate seeing a negative effect on ADM during the upcoming school year as well. Earlier this week, the Agency of Education informed us that its Home Study Team is currently experiencing an increase in student enrollments, many of which have been submitted in the past few days. Due to the

continued instability caused by the Delta variant of COVID-19, VSBA supports a reinstatement of the hold harmless ADM provision until the end of the pandemic.

Additionally, [Act 73 of 2021](#) added a provision that no school district's equalized pupil count will be less than 96.5% of the actual number of equalized pupils in the school district in the previous year. This provision provides some measure of stability so that districts will not experience wild swings.

Leadership, Governance and Financial Management Standards

Secretary French has proposed expanding the Education Quality Standards to focus on district-level systems and adding quality standards for governance and financial management. He provided the example of Massachusetts which has [District Standards and Indicators](#) with six domains including two domains relevant to this conversation: (1) Leadership and Governance and (2) Financial and Asset Management.

VSBA supports good governance by providing members with resources, including the [Essential Work of School Boards Tool Kit](#). The Tool Kit breaks down the work of school boards into six domains and provides resources in each area, including three domains relevant to this conversation: (1) [Engage the Community and Establish a Vision](#), (2) [Develop a Budget and Assure Financial Oversight](#) and (3) [Effective and Ethical Operations](#).

There is significant overlap between the resources in these three domains of VSBA's Essential Work of School Boards Tool Kit and the standards Massachusetts has set in its related domains. Therefore, VSBA supports an initiative to develop such standards in Vermont and anticipates being fully engaged in any efforts to do so. Finally, we see the development of standards for governance and financial management as a separate (but related) process which should not slow down the implementation of the pupil weighting factors report.